

## **Concessionaire Agreement**

This contract is effective as of (Month, Day Year), between the American Embassy Recreation Association (hereinafter referred to as the “association”) and (NAME OF CONTRACTOR) (hereinafter referred to as the “contractor”).

The association has need of certain services to be undertaken at Embassy Compound building, located in Lozenets residential area. The contract states the terms and conditions under which the contractor agrees to perform the necessary services.

NOW, THEREFORE, the parties hereto agree as follows:

### **Article I: Services to be Performed**

A. The contractor shall furnish personnel, materials and services, except as are provided by the association, necessary for the performance of the services described by the terms of this contract. These services shall include:

Managing the cafeteria in the compound with operating hours 07:30-15:30 Monday to Friday (barring embassy closures).

Restaurant Services to include providing a variety of breakfast and lunch options. This shall include but is not limited to: Bulgarian and American menu items prepared on-site, made to order grill items, a salad bar, and desserts. Lunch Services should include a minimum of two hot options (including a meal of the day option and a vegetarian option) and a selection of pre-pared items such as sandwiches or salads.

Catering services, to include supplying meeting, conferences, et cetera on the compound with coffee service and a selection of food items upon advanced request.

#### **Additional Stipulations**

The contractor must provide a fixed price list to the association of all the goods and services offered for sale, excluding daily menu offerings.

All prices for daily offerings must be prominently displayed.

The contractor must provide a weekly menu to the association on the Friday prior to the first day of the week.

Prepared menu offerings should favor quality ingredients and include options that cater to common dietary preferences such as, whole grains, low-sodium, minimally processed, and gluten free.

B. The contractor shall perform the services required by the terms and condition of this contract in accordance with procedures approved by the authorized representative of the association. The association may, from time to time, issue instructions to the contractor on the schedule, location and operation of the services to be performed under this contract.

C. The contractor shall establish and maintain adequate supervision of all employees assigned to the services performed under the provisions of this agreement. For each of the services to be supplied separately by the contractor, the contractor shall designate a supervisory employee. All reports required of the contractor, and any instructions provided to the contractor, must be transmitted by and through such designated employee.

## **Article II: Contractor Personnel**

A. The contractor shall recruit, hire, and train all individuals required in the performance of the work specified under the terms of this contract. Prior to the time when an individual is assigned to work under this contract, the contractor shall furnish the association with the name and qualifications of such individual. No individual may commence work under this contract without the express approval of the association or its authorized representative.

B. The contractor shall require that each employee assigned to work under this contract sign, or otherwise acknowledge, a statement that he or she is neither employed by the association, the United States government nor the Embassy and is not entitled to any rights or benefits which would accrue to a U.S. government employee or as an employee of the association.

C. The contractor agrees to assign to work under this contract only those employees previously reviewed and approved for a security clearance by the Embassy. In connection with this requirement, the contractor shall furnish, on forms provided by the Embassy, a personal history of all employees the contractor proposes to assign to work under this contract.

D. The contractor agrees to evaluate the competence of all employees assigned to work under this contract. The contractor shall evaluate each employee after the employee's first three months of employment and annually thereafter. The contractor shall report the results of such evaluations to the association.

E. The contractor agrees to assign to services under this contract only those individuals who are physically fit for the satisfactory performance of the required duties.

F. The contractor shall be responsible for maintaining such standards of employee competency, conduct and appearance as are satisfactory to the association. Upon written request to the contractor, the association may require that the contractor discipline, or, where appropriate, immediately terminate, any employee whose conduct indicates:

- (1) Insubordination
- (2) Failure to comply with rules or instructions
- (3) Negligent or unauthorized use of association equipment, material or property
- (4) Misconduct (including drunkenness)
- (5) Repeated unexcused tardiness, absence, abuse of sick leave
- (6) Drunkenness
- (7) As designated by the Embassy RSO

G. The contractor shall prepare and maintain adequate payroll records pertaining to each of its individual employees. Such payroll documents shall contain information including, but not limited to, the name of the employee, daily log of hours worked, rate of pay per day, gross pay and payroll deductions.

### **Article III: Responsibility of the Contractor**

A. The contractor shall be solely responsible for the funding and payment of all salaries, fringe benefits, social welfare and social security charges, workmen's compensation insurance, bonuses, legal holidays, approved overtime, annual leave, sick leave, and any other charge of whatever nature related to the performance of services required under this contract. The contractor shall furnish the association, upon its request, evidence sufficient to verify fulfillment of such obligations.

B. The contractor hereby assumes absolute liability for any and all personal injuries and/or property damage suffered due to the negligence of the contractor's employee in the performance of the services required under this contract.

C. The contractor hereby indemnifies and holds harmless the association from and against all losses and all claims, demands, payments, suits, actions, recoveries, and judgments of any nature brought or recovered against the association or the contractor or its employees in the performance of the services required under this contract.

D. The contractor agrees to fully comply with all provisions of local law and in the case of U.S. citizens; U.S. law related to employee benefits, workmen's compensation and employee taxes, applicable to the employees performing services under this contract. The contractor shall ensure that all employees assigned to work under this contract are fully covered as to any and all employee benefits mandated by local law, benefits which may include, may not be limited to, retirement payments, severance or other termination of employment payments, work casualty insurance and disability insurance. Where required by local law, the contractor agrees to withhold personal income taxes and all other employment related taxes from the salaries and wages of all its employees assigned to services described herein and the contractor shall deposit such withheld payments, with all necessary supporting documentation, with the proper local authorities.

E. If the local law or decree requires that one or both parties to this contract register it with the designated authorities to ensure compliance with such law or decree, the entire burden for such registration shall rest with the contractor. Any local or other taxes which may be assessed against this contract shall be payable by the contractor. The contractor shall maintain and record relevant documentation of compliance with local law and payments to local authorities.

F. The contractor should give a reasonable explanation to significant price changes in a short period of time – less than a month. A significant price change is considered more than 10%.

#### **Article IV: Fixed Fee and Charges**

A. The contractor shall pay to the association the fixed fee of 900 BGN.

(1) Based on monthly turnover, a percentage increase in rent will be applied as follows:

- a) 15 000 – 20 000 BGN – 10% of the base rent
- b) 30 000 – 40 000 BGN – 20% of the base rent
- c) 40 000 – 60 000 BGN – 30% of the base rent

#### **Article V: Payment**

All payments made under the terms of this contract shall be payable in Bulgarian Lev (BGN).

#### **Article VI: Equipment and Property**

A. The association provides most of the needed equipment necessary to the performance of this contract. Plates and silverware are initially provided by the association. Any chipped, damaged or additional of the same are to be provided by the contractor. Additional equipment not provided by the association may be used with a prior request including the type, make, model and serial number of each individual item.

B. The contractor agrees to ensure that its employees use property furnished by the association only for such purposes, and in such manner, as shall be acceptable to the association.

C. The contractor agrees to maintain, protect and store property furnished to it by the association in accordance with procedures approved by the association.

D. The contractor agrees to repair or replace association property lost or damaged through the negligence of its employees and agrees to bear the costs of such repair or replacement. In the event of such damage or loss, the contractor shall notify the association and the association shall direct the contractor to repair, or at the option of the association to replace the damage or lost property.

E. The contractor agrees to establish environmentally friendly focused practices that will support the embassies green, recycling, and waste disposal initiatives, and to not use any Styrofoam products such as containers, cups etc..

F. The association reserves the right to use the cafeteria as it deems appropriate: provided that after each use the space will be cleaned and rearranged without expense to the contractor.

#### **Article VII: Insurance and Indemnification**

A. Personal Injury, Property Loss or Damage Insurance.

(1) The Contractor, at its own expense, shall maintain insurance against fire, theft, flood, liability, and for employee medical and employment expenses, as required by law. Insurance should cover all Contractor-owned and operated equipment behind the service counter.

(2) The Contractor shall provide certification that the required licensing has been obtained before beginning work.

B. Indemnification. The Association shall not be responsible for personal injuries or for damages to any property of the Contractor, its officers, agents, and employees, or any other person, arising from any incident of the Contractor's performance of this Agreement. The Contractor expressly agrees to indemnify and to save the U.S. Government and/or the Association, its officers, agents, servants, and employees harmless from and against any claim, loss, damages, injury, and liability, however caused, resulting from or arising out of the Contractor's fault or negligence in connection with the performance of work under this Agreement. Further, any negligence or alleged negligence of the U.S. Government and/or the Association, its officers, agents, servants, or employees, shall not bar a claim for indemnification unless the act or omission of the U.S. Government and/or the Association, its officers, agents, servants, or employees is the sole competent and producing cause of such claim, loss, damages, injury, or liability.

#### **Article VIII: Inspections and Reports**

A. The association, or its designated representative, shall have the right to inspect, in such manner and at reasonable times as it deems appropriate, all activities of the contractor arising in the course of the contractor's undertakings under this contract. The contractor shall be responsible for complying with the recommendations of such inspections and shall take prompt action to remedy any deficiencies noted in such inspections.

B. The contractor agrees to institute a periodic inspection schedule to ascertain that all services required by this contract are being performed in accordance with its terms. Any deficiencies or substandard conditions identified in such inspections shall be promptly corrected and improved, and any conditions beyond the responsibility of the contractor shall be brought to the attention of the association for its appropriate disposition.

C. At the request of the association, the contractor shall prepare written reports summarizing inspection findings, including deficiencies noted, irregularities encountered, repairs or services needed, improvements recommended, or corrective actions completed. The subject of such written reports need not be limited to inspection results and may, at the discretion of the association, include any matter to the services under this contract.

#### **Article IX: Records and Accounts**

A. The contractor shall maintain a set of accounts, records, documents, and other evidence sufficient to identify and verify all costs incurred, and the receipt, use and disposition of all association property provided to the contractor under this contract. This system of accounts shall be consistent with methods and procedures approved by the association.

B. The association, through its designated representatives, shall have the right to examine, review and audit any and all records of accounts related to this contract. The contractor shall retain its books and records pertaining to this contract for a period of at least five years after the stated period of performance.

## **Article X: Authorized Representatives of the Association**

The association hereby designates the AERA Board as its authorized representatives for the purpose of administrative control and approval, compliance verification and any other matters related to this contract. At the discretion of the association, any duly authorized representative of the association under this contract may be delegated this authority, provided that the contractor has been given written notice of such delegation.

## **Article XI: Disputes**

The association, who shall reduce such a decision to writing and shall furnish a copy thereof to the contractor, shall decide any dispute concerning a question of fact, which is not disposed of by the terms of this agreement. The decision of the association shall be final and conclusive unless, within 30 days from the date of receipt of the decision of the association, the contractor submits to the association a written appeal to the Chairperson of the association. The Chairperson, or designee(s), shall be the final arbiter and judge in all such disputes.

## **Article XII: Suspension**

The associations may suspend any part of the requirements of this contract for such period of time as may be determined to be necessary or desirable for the convenience of the association. Unless otherwise specified, such action shall take effect immediately upon written notice from the association to the contractor.

## **Article XIII: Termination**

A. The association may, at its convenience, terminate this contract, or any part thereof, for such cause considered appropriate by the association. Unless otherwise specified, such action shall take effect 60 days from the receipt of written notice from the association to the contractor.

B. In the event that the association determines that the contractor has engaged in fraudulent or dishonest business practices, the association may, at its discretion, terminate this contract, or any part thereof, immediately and without prior notification to the contractor.

C. If the contractor desires to terminate this contract, they must provide written notice to the association 60 days prior the date of termination.

## **Article XIV: Assignment**

The contractor shall not assign or transfer this contract, or any part thereof, any interest therein or claim thereunder, except with the express written authorization of the association.

## **Article XV: Amendments**

This contract constitutes the entire agreement between the parties. No amendments or modification to this contract shall be given force or effect unless such agreement is executed in writing and signed by the parties hereto.

**Article XVI: Period of Performance**

The period of performance under which this contract shall be performed shall commence on (Month, Day Year), and shall expire on (Month, Day Year – duration of one year). Performance may be extended for additional periods of time by the mutual written agreement of the parties.

IN WITNESS WHEREOF, the parties have executed this contract.

\_\_\_\_\_  
Chairperson, Association Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Representative

\_\_\_\_\_  
Date